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National
Home Center News

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Hechinger has decided not to take on the leases of 14 Bradlees stores in the Philadelphia market. The chain recently bought the six-unit Triangle Building Centers, which has stores located in the eastern Pennsylvania area. NHCN photo

Hechinger backs away from buying leases of Bradlees' Philly units

By John Caulfield

PHILADELPHIA — Hechinger killed two birds with one stone last week when it decided not to take ownership of the leases on 14 stores in this market that were part of the 47 Bradlees Discount Department stores Hechinger had purchased from Stop & Shop Companies Aug. 16.

Not only will $35 million Hechinger paid for these stores be deducted from the $118 million price tag for the total acquisition, but when Bradlees stated it would continue to operate these stores, they were effectively taken off the market from other home center bidders.

The decision by Hechinger to cancel purchase of the Philadelphia store leases comes on the heels of its agreement to buy the six-store Triangle Building Centers, some of which are located around this market.

However, Hechinger's senior vp-finance Clark McClelland insisted in a telephone interview with *NHCN* that the Triangle acquisition didn't factor into the chain's decision to reject the Bradlees stores in Philadelphia.

(Continued on page 6)

Payless outlines its market plan to store management

By Gary S. Ruderman

KANSAS CITY, Mo. — The "7-Eleven" of home centers is changing.

In its search to boost contractor sales at its 193 units, Payless Cashways wants to shift its "convenience store" image among professionals by increasing its visibility in the field. At the same time, Payless management wants to be "more responsive" to the field.

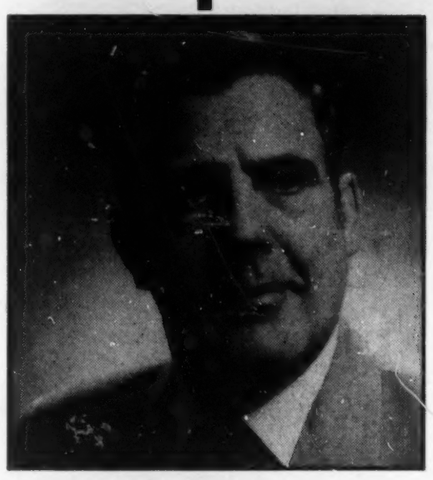
Following a three-week road show by Payless chairman David Stanley and other company officials to explain the new market focus to Payless' store management, *NHCN* has learned that:

- Payless will add contractor desks, volume discounts in the future and at least two new employees to each store to concentrate on outside sales and coordination;
- Once "difficult" Payless buyers will be more responsive to the field;
- The chain plans to reallocate its fleet of some 500 delivery trucks and innumerable fork lifts around the country, sending unneeded equipment from less busy stores to busier locations rather than invest in new equipment, and;
- Payless has opened a lumber reload center in the Kansas City area for mixed orders and will continue its new strategy of buying from two-step distribution for most stores.

Stanley's field seminars gave "the overall picture but not the details," said one senior manager who attended but asked not to be named. "It's still up in the air," he said.

(Continued on page 6)

K mart elevates Denny, names new president of Builders Square



Glen R. Mielke of parent K mart will now serve as president of subsidiary Builders Square. Photo courtesy of K mart

By an NHCN staff editor

SAN ANTONIO, Texas — A K mart veteran of 25 years has been named president and chief operating officer of that retailer's subsidiary Builders Square.

As of Jan. 1, Glen R. Mielke will report directly to Frank Denny, who was promoted to chairman and chief executive officer of the 133-unit warehouse chain.

Prior to this appointment, the 53-year-old Mielke had held a wide range of positions for K mart, mostly in store operations. Since 1984 he has been K mart's vp-southwestern region in Euless, Texas. With his new position, he was also named a corporate vp.

At Builders Square, Mielke, according to a prepared statement, will be responsible for store operations, merchandising, marketing, distribution, transportation, construction and maintenance.

He was vacationing and was not available for comment at press time. Phone calls to K mart's vp-corporate affairs Bob Stevenson, to Builders Square's executive vp Jud Walford, and to Denny were

(Continued on page 60)

Lowe's plots moves into small- and medium-sized trading areas

By Edward McKinley

NEW YORK — Lowe's expects to enter seven new smaller and medium-sized markets next year, but will not venture outside its current 20-state trading area, company executives said Nov. 29 to securities analysts meeting here at the Grand Hyatt Hotel.

The store openings constitute part of a three-year expansion projected to double the chain's retail selling space to a total of nearly 10 million square feet, according to Greg Bridgeford, vp-corporate development.

Along with the expansion, the North Wilkesboro, N.C.-based company is continuing to perfect a consumer-oriented merchandise mix, a move that has already eased some short-term problems with lagging contractor sales and an 11.2 percent year-to-date drop in building materials margins, said Cliff Oxford, vp-corporate relations.

Lowe's is growing by expanding the stores' retail selling space to 60,000 square feet in larger markets and 40,000 square feet in smaller markets, rather than by adding many more stores. The decision came earlier this

(Continued on page 6)

Massachusetts' pending toxic waste bill scares manufacturers of treated lumber

By Milford Prewitt

BOSTON — A bill to control and ultimately remove toxic waste from the Massachusetts environment has been mistakenly interpreted as a State effort to ban pressure treated lumber, a sponsor and drafter of the legislation said.

Mike L'Ecuyer, a toxic policy analyst for the Massachusetts Public Interest Research Group (MPIRG), an influential civic action group, said the proposed measure, if passed, is intended to ban some chemicals that might be used to pressure treat lumber, but not the product itself.

He said the legislation has drawn the ire of a diverse mix of industries that have misinterpreted the intent of the bill. L'Ecuyer said he was aware of the arguments by lumber treaters, plastics manufacturers, metal fabricators, dry cleaning chemical producers and others that charge the bill would put them out of business in the state.

(Continued on page 60)

INSIDE

The Buying Decision

HOW YOU WIN, WHY YOU LOSE: To what extent is partnership possible between dealers and their vendors? That's the question addressed in a special section that explores retailers' opinions about what they look for when choosing one supplier over another. The section also presents four case studies of specific companies' buying strategies. The evidence shows that dealers view their relationships with vendors differently in almost every instance, and that the challenge for vendors is to tailor their programs more precisely for their individual customers.

NEWSBREAKS

SUPPLIERS AND DEALERS SEE EARNINGS SOAR: Strong quarterly and year-end income and sales were reported by several industry companies, led by Black & Decker, which achieved record figures for the year ended Sept. 25, and Wolohan Lumber, whose sales of $74.6 million and earnings of $3.71 million in the period ended Sept. 30 were quarterly records. Waxman Industries got its fiscal year flying with a 44 percent gain in sales and 25 percent increase in income in the quarter ended Sept. 30.

Perspectives

Section 2

The Buying Decision

How You Win; Why You Lose

THE BUYING DECISION:
In the new, competitive world of retailing, dealers strive for partnerships with vendors

With more shopping options available to consumers than ever before, retailers know that more than product and price are required to win loyalty.

Increasingly they are turning to vendors in search of partnerships in which both buyer and seller are involved with the marketing of merchandise. Many vendors endorse this approach; some may not. One of the industry's more astute retail merchandising executives had this observation about how vendors see the world:

Most vendors see the market as full of bananas, he said. All you have to do is peel it and eat. A few progressive companies see the market as a grapefruit, divided into sections, each with its own characteristics.

This may be a caustic, even exaggerated, view, but it is one that demands attention. This is a critical time for buyer/seller relationships as they have the potential to evolve into more complicated and productive partnerships.

Therefore *National Home Center News* has devoted this entire issue to a special report on the state of dealer attitudes toward suppliers.

Research culled from interviews with more than 150 home improvement retailers finds a relatively high level of dissatisfaction with suppliers' lack of knowledge about the companies they want to sell, and with the lack of authority on the part of most manufacturers' salesmen to go beyond the price-and-product pitch.

That pitch will be enough for some dealer accounts in these competitive times. But the vendor is more likely to "win" with dealers by providing specific programs tailored to that retailer's needs. In addition, by offering these value-added services, the vendor is more able to justify the price he wants for the merchandise he's selling.

To support the research, *NHCN* also conducted interviews with the buying staffs of four very different companies: the 3,700-member ServiStar hardlines co-op; the 170-unit Channel Home Centers; Liberty Distributors, the industry's largest wholesaler marketing organization, and one of Liberty's distributor-members, Farwell, Ozmun & Kirk (which recently merged with the CoastAmerica buying group); and the three-store Supply One.

The mechanics of negotiating with and selecting vendors and their products was explored in each company, with the results showing marked differences in their respective levels of buyer autonomy and the willingness to strike partnerships with suppliers.

Yet, in its own ways, each company is pursuing partnership. For example:

- ServiStar is meeting a particularly intricate challenge in achieving partnership because it is in a triangular relationship that includes its members, vendors and itself.
- At Channel, buyer-seller relationships are viewed as adversarial by nature. Therefore, while long-term relationships are desirable, the company feels that perhaps only "limited partnership" can be achieved.
- Liberty specifically sees itself in the role of buyer-seller matchmaker and recently inaugurated an annual conference specifically intended to build partnerships between wholesaler members and suppliers.
- Supply One reveals that while partnership may be more difficult with a small company, it is not impossible.

The overriding message contained in the research and case studies is that vendors need to do a better job investigating what their dealer clients actually need to be profitable, and present programs that solve problems. The consensus among dealers and wholesalers is that any vendor can offer price, but only a cherished handful are considered to reach the next plateau of "partner."

Partner or adversary? Vendors and dealers still not sure

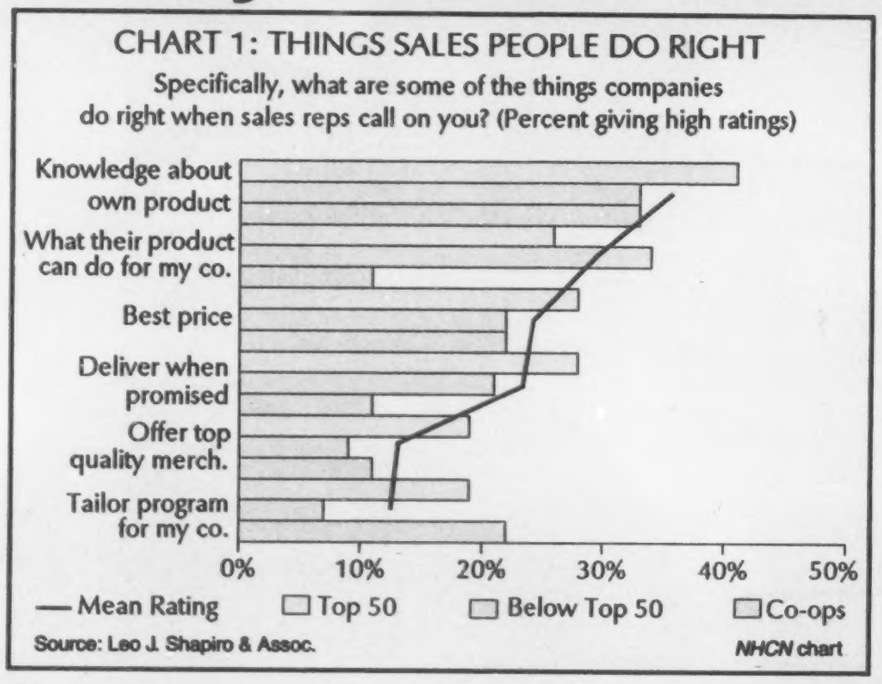
By Ken Schept

NATIONAL REPORT — After 6,000 years of human history, adversarial relationships are slowly being recognized as less productive than cooperative ones, even among the international superpowers.

If partnership is possible on that level, it must be a piece of cake between the home improvement industry's buyers and sellers, right?

Wrong.

Vendors have long complained of being exploited and hammered by overaggressive buyers. Now, in a new study about buying practices in the home improvement industry, buyers retort that suppliers are typically unprepared when making sales calls. They say sales people can often discuss price and sometimes distribution but usually fail to appreciate a retailer's specific needs and fail to offer appropriate programs.



The study, called "The Buying Decision: How You Win; Why You Lose," was completed for *National Home Center News* by Leo J. Shapiro and Assoc. It is based on extensive telephone interviews with 153 home center and hardware co-op buyers from 126 different companies, including 33 of the top 50 companies and seven of nine co-ops.

The study also found that:

- Vendor approaches to selling can be classified according to four types that range from a pure price focus to an appreciation of partnership;
- Vendors can win using any of the types, as long as it's compatible with the buyer's expectations;
- However, a vendor's chances of success are usually increased when its presentation goes beyond price and distribution issues.

Buyers have good things to say about vendors, too. They offer a long litany of things they believe manufacturer's salespeople generally do well (*See Chart 1*). Most retailers, regardless of company size, report that vendors do a good job when it comes to knowing about their own products and offering quality merchandise at a good price with reliable delivery.

More good news for vendors is that retail buyers are able to distinguish between the quality of service received from various vendors and give credit where they feel it is due.

Larger retailers, in particular, seem inclined to recognize differences in quality between vendors. The greater number of vendors serving these retailers might make variations in service level more apparent. Almost two thirds of buyers from companies reporting more than $100 million in annual sales perceive substantial differences in quality among their vendors.

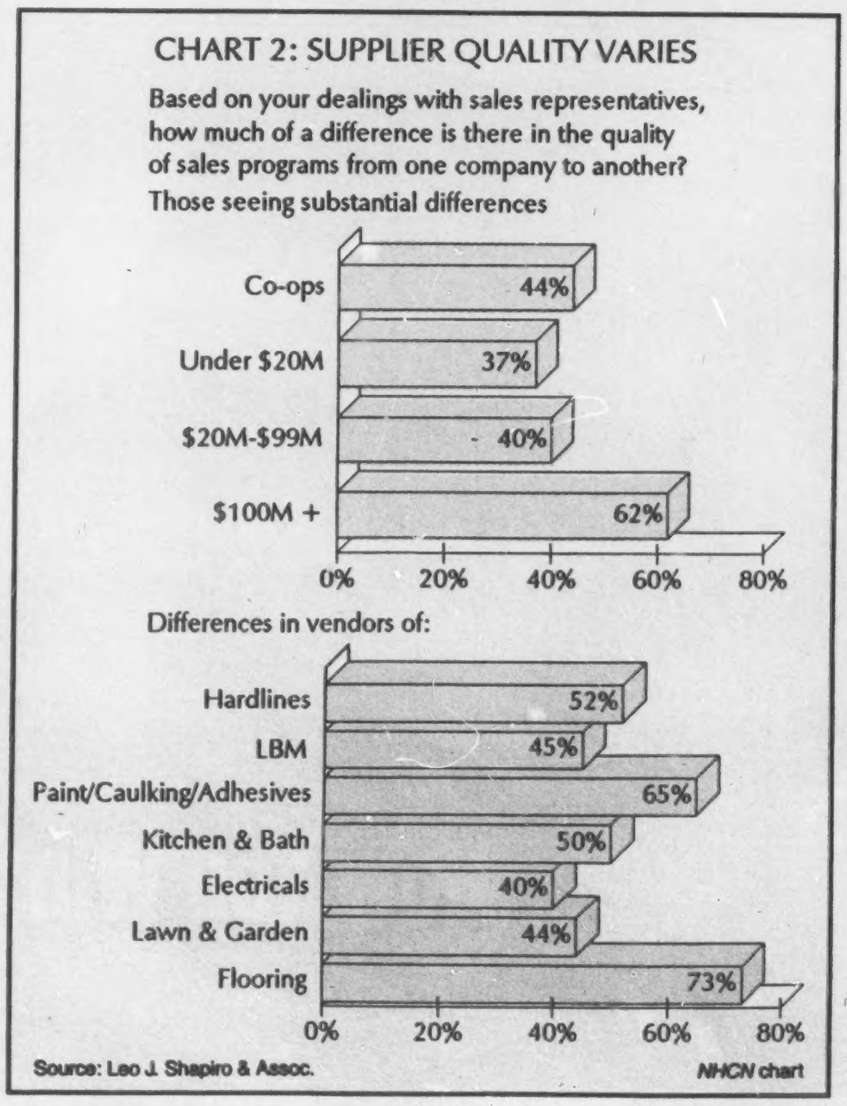
Retailers, in general, see the greatest contrasts in service quality among vendors of flooring and those who offer paint. The response may be due to the number of manufacturers in those categories (*See Chart 2*).

While recognizing instances of vendor quality, retailers strongly feel that suppliers too often fail in the same critical area—preparation.

More than three quarters of the buyers said that their suppliers are either often or occasionally unprepared during a sales call (*See Chart 3*). This situation is most acute at the largest companies, which again might be a function of the greater number of suppliers that call on those firms.

The level of unpreparedness becomes especially clear when considered on the basis of product categories. Roughly 40 percent of buyers of hardlines; paint, caulking and sealants; and kitchen and bath say that suppliers in those areas are at least occasionally unprepared.

The reason for this general lack of preparation might come down to peo-



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SUPPLY ONE: *Despite small size, this three-unit chain still seeks vendor-dealer partnerships* 50

HOW YOU WIN . . .
What are some of the things supplier sales people do right when working with you?

"They understand our business. They go to our stores and see how we market our merchandise. They tailor a program to fit our needs. They have to be priced so that when we put it on the market, it will be competitive."
—Buyer from home center ranked among top 50

"They should be knowledgeable about the marketplace and how their product fits. They should research my company and know who my customers are."
—Buyer from home center ranked below top 50

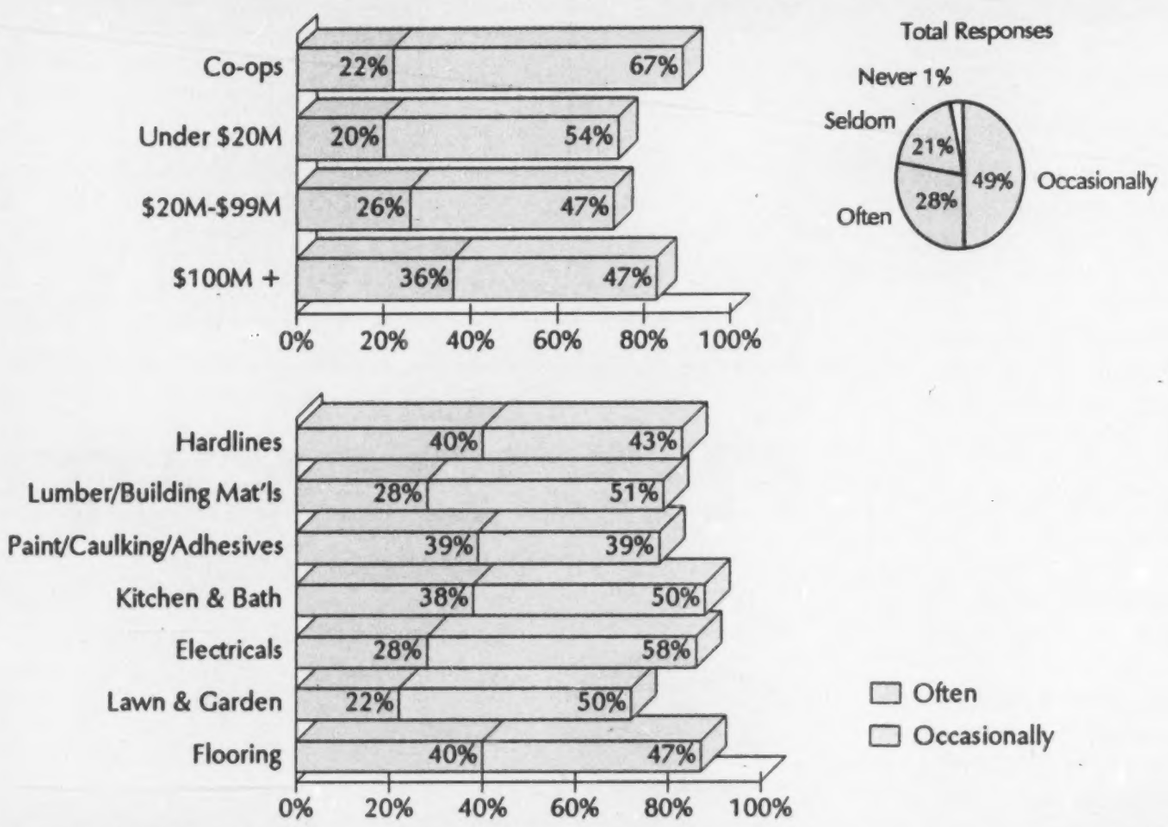
. . . WHY YOU LOSE.
What are some of the things supplier sales people do wrong?

"They are inflexible. They do their program one way, and that is it. You conform to them."
—Buyer from home center ranked among top 50

"Sometimes we are excluded from a lot of information because we are a small company. They don't send out information about specials, promotions, or new products on the market."
—Buyer from home center ranked below top 50

CHART 3: MOST SUPPLIERS ARE OFTEN OR OCCASIONALLY UNPREPARED

How often would you say that sales reps are not adequately prepared to work effectively with you?



Source: Leo J. Shapiro & Assoc. *NHCN* chart

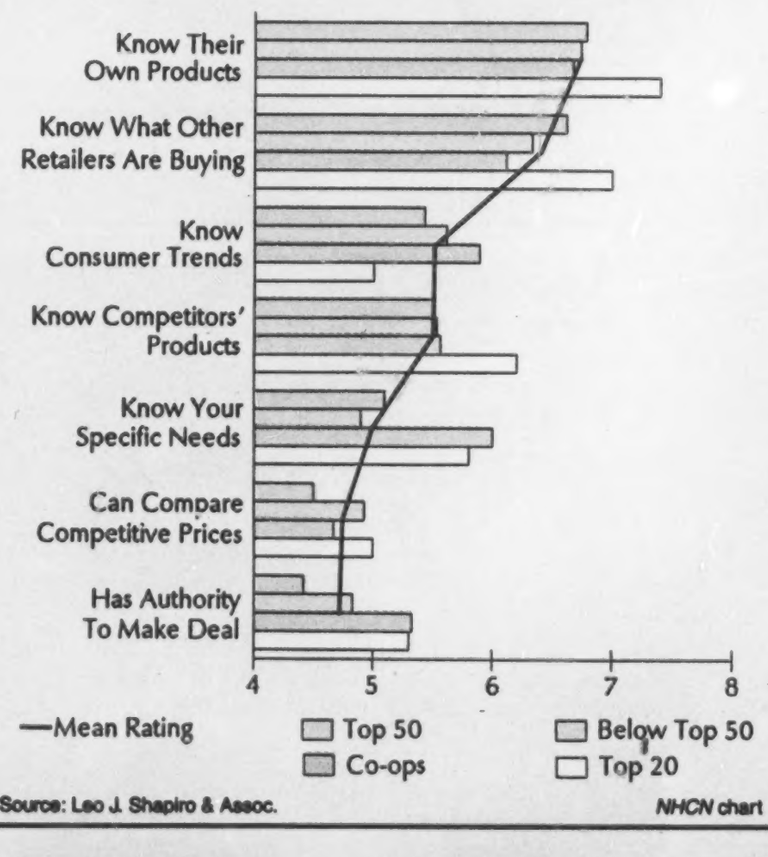
CHART 4: LEVEL OF VENDOR PREPARATION VARIES

On the whole, how well prepared are the sales reps you deal with in the following situations?	% rating well prepared
How well they know their own product	65%
Knowledge of what other retailers are buying	61
Awareness of new products on market	56
Bringing samples	51
Ability to answer most questions	45
Assisting with reorders	42
Knowledge of consumer trends	41
Commiting to delivery dates	40
Planning promotions/ads	37
How well they know competitors' products	34
Knowing your specific needs	33
Planning merchandise displays	33
Market research	28
Authority to make commitments	24
Comparing competitive prices	23

Source: Leo J. Shapiro & Assoc. *NHCN* chart

CHART 5: HOW WELL PREPARED ARE SALES PEOPLE?

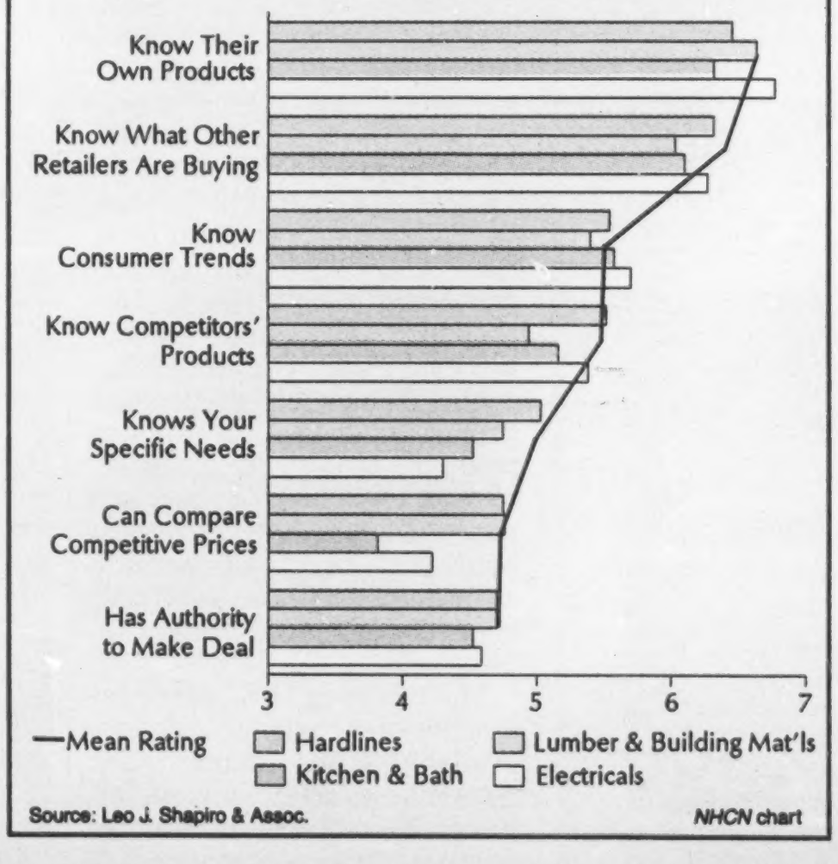
Ranked 1 - 9 by Company Size; 9 Being Most Prepared



Source: Leo J. Shapiro & Assoc. *NHCN* chart

CHART 6: HOW WELL PREPARED ARE SALES PEOPLE?

Ranked 1 - 9 by Product Category; 9 Being Most Prepared



Source: Leo J. Shapiro & Assoc. *NHCN* chart

CHART 7: IMPORTANCE OF SALES PLANNING

Here are some things mentioned by other buyers. How strong a card is this in a sales rep's hands when he is working with you?	% rating it important
LEVEL 1: PRICE	
Volume Discounts	79%
Promotional Pricing	78
LEVEL 2: DISTRIBUTION	
Shipping Dates	75
Provision for Reorders	75
Billing Dates/Terms	69
Buybacks/Credit for Slow Merch.	66
Centralized/Decentralized Shipping	26
LEVEL 3/4: ASSISTING WITH	
SALES PLANNING	
Display and POP Materials	65%
Coordination with merch. program	60
In-store detailing or sales training	50
Co-op ad allowance	48
Paperwork	46
Modified labeling or packaging	31
National advertising program	31

Source: Leo J. Shapiro & Assoc. *NHCN* chart

Vendors, dealers work for mutually beneficial relations

ple and training. A vendor field sales position, in many instances, could be an entry level slot occupied by a person with limited industry experience.

Don't know retailer needs

In any case, the consequence of this condition is fairly clear: at best, unprepared vendors will face cranky buyers who feel that their time is being wasted. "Time is the most serious problem," said one buyer whose comment was typical. "If they are not prepared, it wastes my time setting up new meetings, and time is my most valuable commodity."

According to buyers, the level of vendor preparation varies according to what's being asked of them. For example, two thirds of buyers say that suppliers are well prepared when it comes to knowing about their own product or what other retailers are buying. On the other hand, buyers think only about one third of vendors are well prepared when it comes to knowing a customer's specific needs. And only a quarter of buyers give vendors high marks for being prepared with authority to make a deal (*See Chart 4*).

Indeed, one of the most striking characteristics of the buyer-seller relationship pointed out in this study is its inequality. Generally, buyers or the general merchandise manager have the authority to cut a deal while the manufacturer's sales person is unable to close without consultation.

One gmm at a large chain views this inequality with skepticism. He sees this condition as basically a vendor defense mechanism. When the pressure is on for a decision, the vendor representative can just say, "I'll get back to you." This gmm says he counters what he perceives as a vendor gambit by handing the sales person a telephone and suggesting that he phone his boss.

In general, retailers, regardless of their size, agree on just how prepared or unprepared manufacturers are in answering a variety of needs (*See Chart 5*).

However, the buyers who feel best served by their vendors are those from the largest companies. The buyers of top 20 companies give vendors higher scores for preparation.

(Continued on page 14)

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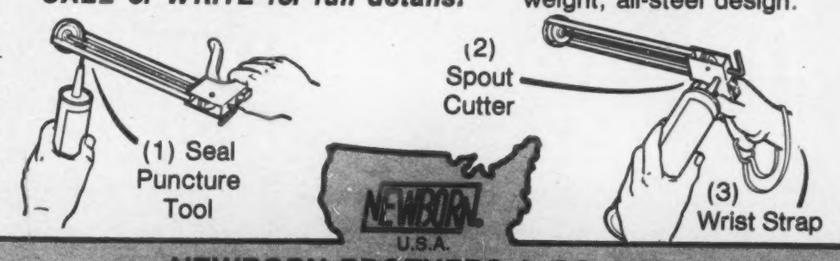

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Circle 13 on Reader Service Card

The Buying Decision

RESEARCH

Buyers prefer vendors who can develop merchandise programs

(Continued from page 14)

But those issues are basic to any buyer-seller relationship. In today's business environment where sellers attempt to differentiate themselves by offering advantages beyond the basics, the value-added sales planning services, which characterize Level Four, become increasingly important.

By offering these other services, the manufacturer may be better able to secure the price he needs for his product. Indeed, 60 percent of buyers place strong importance on the ability of a vendor to develop a merchandising program in coordination with a retailer.

In particular, buyers of lumber and building materials, kitchen and bath products, flooring and electricals note important purchasing considerations other than price and distribution. Electrical buyers expressed the strongest interest in having manufacturers coordinate their merchandising programs with the retailer.

Searching for partnership

That a supplier will offer the right price along with effective distribution are basic assumptions of the buyer-seller relationship. Alone they are not always strong enough to win a supplier business. The approach fails when it doesn't meet either a competitor's offering or simply the buyer's expectations.

In fact, when buyers were asked to recall an instance where a supplier succeeded in gaining substantial business, having the best price was secondary to the supplier's well-prepared, thorough presentation of his program. Similarly, buyers said that knowledge of a store's specific needs was more important to a vendor's success than information about shipping dates.

Buyers of the following categories said that the most important vendor attribute was a thoroughly presented program: paint/caulking/adhesives; kitchen/bath; electricals; and lawn and garden (*See Chart 8*).

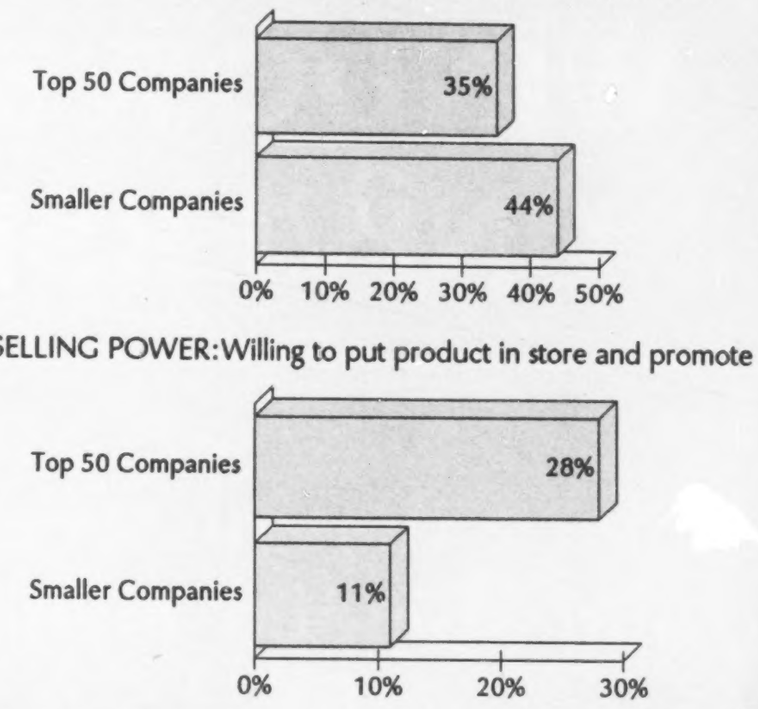
Paint/caulking/adhesives buyers placed equal importance on vendors knowing their specific needs. Immediately next in importance for these buyers was price and shipping information. These findings seem logical for a category where heavy competition dictates sharp pricing and success requires differentiated programs.

Both buyer and seller

Buyers from larger companies seem more likely to be expecting relationships with suppliers in which the vendor helps prepare a tailor-made program. These buyers see themselves as not only "buyers" of a supplier's products, but also "sellers," in the sense that their mission is to move a vendor's product through the store to the consumer (*See Chart 9*).

When both buyer and supplier interpret their roles more broadly—with buyer also acting as seller and seller functioning as promoter—then a merchant partnership emerges. This study suggests that the industry is only part of the way there. A little *perestroika* wouldn't hurt.

CHART 9: BUYING POWER/SELLING POWER
What do you bring to the table when meeting a sales rep?



Source: Leo J. Shapiro & Assoc. NHCN chart

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The Buying Decision

RESEARCH

Buyers view themselves as the guardians of company reputation

By an NHCN staff editor

Buyers share a point of view about their jobs that suppliers need to understand in order to win: the most important thing to buyers is product quality.

They see an average of 12 vendors a week, and in each encounter the buyers consider themselves guardians of their company's reputation among its customers. Buyers see their most important function as choosing products for their quality and consumer appeal.

The intensity of concern with quality varies among buyers according to the product categories they cover. Not surprisingly, it is most acute among buyers of hand and power tools—where the durability of imports may be a factor—as well as potential liability problems.

Lumber, where strength and appearance are critical, is another category where quality is of particular importance to buyers (*See Chart 10*).

The corollary to a buyer's concern with allowing only quality merchandise into the stores is the fear that too little merchandise will flow through the distribution channel and shelves will be empty.

These two priorities—assuring product quality and adequate supply—protect the stores against two potentially debilitating situations: injuring a customer and being open for business with nothing to sell.

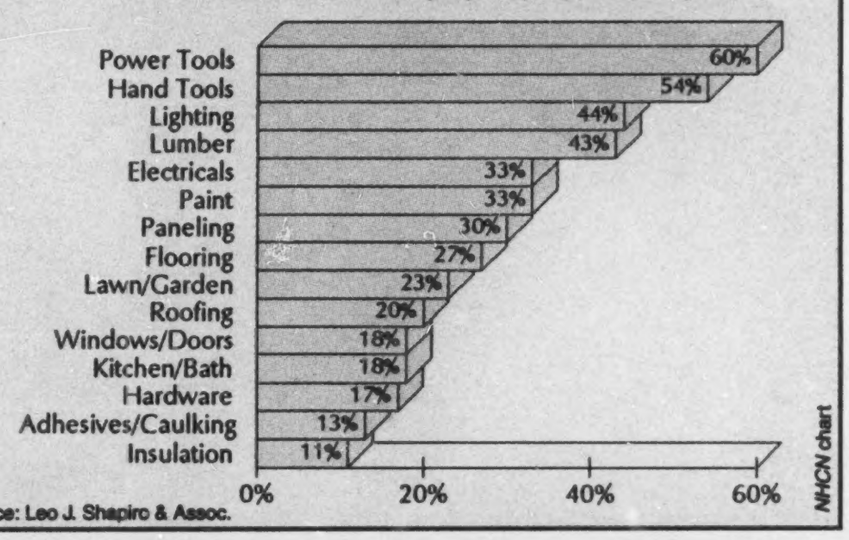
The corollary to a buyer's concern with allowing only quality merchandise into the stores is the fear that too little merchandise will flow through the distribution channel and shelves will be empty.

Still, for a business to grow, a buyer needs to be willing to take risks and to expand the number of vendors with which he does business.

Buyers at larger companies are more likely to spend time with new vendors than are their colleagues at smaller operations. About half of the vendors seen each week at the 20 largest companies in the industry are not current suppliers, compared to only one quarter of the vendors seen weekly at the rest of the industry's retailers (*See Chart 11*).

CHART 10: QUALITY IS BUYERS' FIRST CONCERN

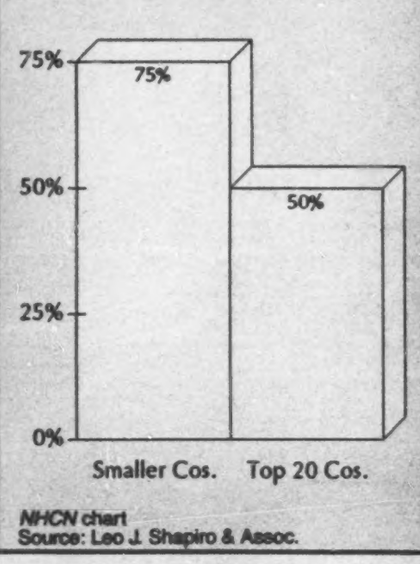
If a buyer is going to be successful with (product category), what's the one thing you really have to be careful about? (Percent who answered, "Being a good judge of quality")



Source: Leo J. Shapiro & Assoc.

CHART 11: OPENNESS TO NEW BUSINESS

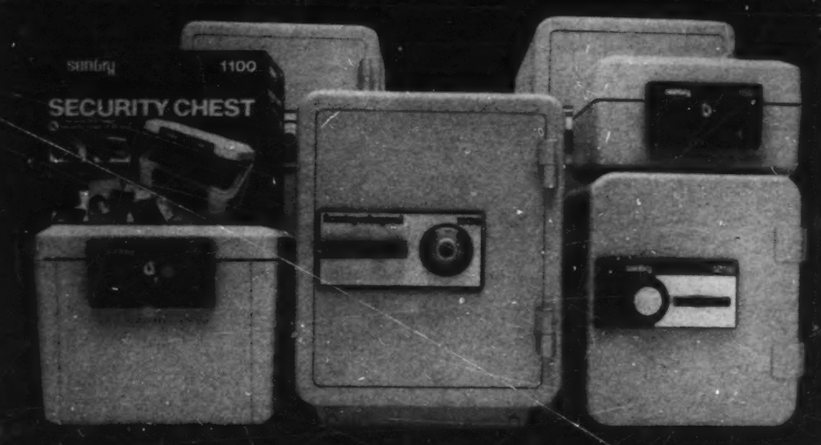
The average buyer sees 12 suppliers per week. Of the companies you see each week, how many are incumbents?



Source: Leo J. Shapiro & Assoc.

Larger companies may have a more acute need for new merchandise possibilities, which may account for the inclination to see potential suppliers. They definitely have more buyers. The top 20 companies have a mean of 15 buyers each, while overall the mean for the industry is 7 buyers per company.

Sentry Sales Force



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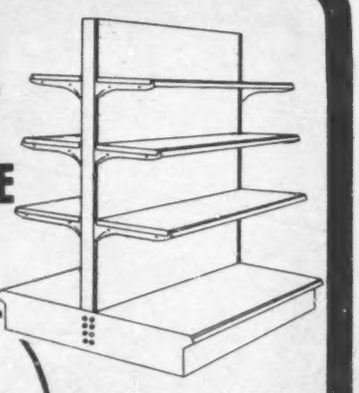

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Scan-Tech addresses problem of bar coding lumber

(Continued from page 5)
minals, according to Moore. The missed opportunity could be recouped with coming and present technology.

Lumber can be inventoried and priced at the receiving station with one hand-held unit. With a new voice data system, subjective evaluations of the shipment can be made. And with the perfection of radio frequency (RF) technology, these data can be sent to a computer without the need to "plug in."

No cost increases

Overall, hand held scanners and data entry terminals have "exploded" with capabilities while costs increases lagged, explained Moore. Some systems have actually gone down in price, said Bob Goodman, a division sales manager for LXE, a Georgia-based system maker for warehousing. Five years ago, an LXE laser bar code reader and RF terminal cost $6,000; today the pair costs about $3,000.

Today's technology puts the equivalent of a personal computer in the palm of one's hand. The hand-held Telxon PTC-730, and others, can be configured with as much as four megabytes of random access memory and MS-DOS capabilities.

Julie Ganim, manager of marketing services for Telxon, Akron, Ohio, said the unit, ranging in price from $1,200 to $4,000, can inventory an entire store or multi-units with storage to spare. This includes the capability to transmit information in even the noisiest warehouse.

In addition to reading bar codes into a hand-held unit, voice information can be recorded, too.

Vocollect of North Versailles, Pa.; Westinghouse; Burr Brown and a host of other vendors showed voice data links. The user can tell the hand-held collection device in his or her own words (within a limited vocabulary) if, for example, a pallet of lumber was rotten or broken at one end.

The cost runs close to $10,000 for the system.

There will be more visible laser diode scanners on the market next year, Moore of AIM said. In the past, wand and checkout readers almost had to touch the UPC barcode labels. And there was still the nagging problem of a pass-through panel not reading off-color bar codes.

The visible laser diode readers solve many of the non-carbon, off-color reading problems and are cheaper and lighter than state-of-the-art helium neon beam.

The trade off is distance: visible laser diode readers are most effective at between five and 20 inches, depending on how clear the bar code is.

Helium neon beams can reach three to four feet for a warehouse application. "But they're power hogs," quickly depleting battery packs, quipped one vendor.

And scanning printers have advanced to the point where a 1x2 inch tag can contain as much information as a 3x5 inch tag. The so-called stacked symbologies are part of Code 16K and Code 49 protocols, which should gain more market use next year, Moore explained.

Bill scares manufacturers of treated lumber

(Continued from page 1)
Called the Toxic Waste Reduction Act, the proposed legislation attempts to mirror a law passed earlier that seeks to remove some pesticides from consumer use. The bill would establish an agency to facilitate phasing out of some 1,900 industrial chemicals deemed hazardous to health and the environment.

Alternatives encouraged

These substances are included on Massachusetts' Toxic Substance "Right to Know" List. Chromium copper arsenate (CCA), the principle substance used to treat lumber, is not on the list, but each of its component chemicals is included, said Michael Finney, spokesman for the Department of Public Health's Right to Know Office.

L'Ecuyer said the law would encourage industry to find alternative substances to replace the toxic materials currently in use. At the same time, the measure would set-up a battery of educational programs and lend support to help industry convert to the use of new products.

The bill wouldn't affect what retailers sell. But if it becomes law, manufacturers would have to provide the state with an audit of the chemicals currently in their inventories and a plan for substance reduction. Industries would have two years to convert after the bill becomes law, but certain waivers would be extended on an individual basis.

"This is a market approach and it will lead to good, healthy competition," L'Ecuyer said. "[But] all people seem to key in on is the phase-out aspects of it.

"It's too bad it is so misunderstood."

Despite L'Ecuyer's support, the Southern Forest Products Association (SFPA), the Society of American Wood Preservers (SAWP) and some major wood chemical suppliers, such as Koppers, find the measure a poor way to clean the environment and potentially damaging for treated lumber consumption.

"The Environmental Protection Agency did a seven-year review of CCA and reached the conclusion that it can be used in good harmony with the environment," said a perplexed Bill Baldwin, manager of customer and technical services for Koppers, the Pittsburgh-based licenser of the Wolmanized Pressure Treated chemical.

Once CCA has fused with the wood fiber, Baldwin said, there is no risk from pressure treated wood.

But despite the EPA's endorsement, Finney said the EPA is just one of 10 sources the Massachusetts Department of Health used to compile its carcinogenic substances list.

"I'm not trying to minimize the fear people have about toxic substances," said George Eliades, president of the SAWP, "and it's important that people know to handle chemicals properly, but this legislation is really a serious threat to pressure treated wood consumption.

"They are talking about phasing out chemicals that this industry depends on."

General Business Products expanding

(Continued from page 5)
Cabinets for an 18-foot kitchen begin at $899, with appliances available for $999.

The company has sold kitchens that cost more than $40,000, but average tickets for cabinets, uninstalled, run $4,500. One kitchen display includes a $4,500 granite countertop and a tile countertop of the sort popular in the West.

General provides financing through a financial institution, including a deal that can be negotiated with no interest for a year. The company keeps 14 installers on the payroll, in addition to the 18 designers.

"I trained on the job for three months before I started to have hands-on sales ability," said Suzanne Ketchum.

A design computer in Medford supplies FAX copies of plans to all of the stores.

The company also plans a 25,000-square-foot kitchen and bath warehouse, scheduled for completion this month in Medford.

Along with kitchen and bath, the company emphasizes another big ticket sale: doors and windows.

At Bethpage, the store's small size limits the millwork department to 11x17 feet, or less than 200 square feet.

Just the same, the company built a display that includes 18 windows, six double doors and one skylight. The company sells five brands of windows.

General is also rebuilding the retail store in Medford after a fire. It expects to reopen a 12,000-square-foot store there in March.

In Manahawkin, N.J., the company is building a kitchen and bath showroom next to a store purchased last summer.

The two other recently purchased New Jersey stores will also receive kitchen and bath showrooms, Meltzer said.

K mart names Denny chairman of Builders Square

(Continued from page 1)
not returned.

This appointment appears to be K mart's attempt to take more of a hands-on approach to managing its mammoth warehouse operation, even though a K mart spokesperson, Leslie Kota, thought Denny received a vote of confidence in his appointment to chairman.

"With the growth of our Builders Square subsidiary, we felt it necessary to give added strength to this fast-growing division," said Joseph Antonini, K mart's chairman, in a prepared statement. "It will allow management to become more involved in the refinement of operations."

For its size, Builders Square's management has been extremely lean, with essentially three men—Denny, Walford and executive vp Frank Powers—running the show. Mielke's arrival could spell new duties for the latter two officials, as Walford is relinquishing the coo post.

Mielke comes onto the scene at a time when Builders Square's growth has been curtailed. This year it has added 15 stores, about half the number it grew by in 1987. Denny has said publicly that the chain would be modestly profitable for the first time in fiscal 1988, its fifth year in operation.

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